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NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/ROSENSTOCK/SACHAR; NSC FOR PASCUAL; TREASURY FOR
ROSE/HAJAR

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TAGS: ECON PREL PGOV KWBG PTER KTFN KISL IS
SUBJECT: NABLUS MALL SHOPS REMAIN OPEN AS IDF CLOSURE
DEADLINE PASSES

REF: A. JERUSALEM 1329
 1B. JERUSALEM 1203
 1C. JERUSALEM 1192

Classified By: Consul General Jake Walles for reasons 1.4 (b), (d)

11. (C) Summary: Shops in Nablus' largest shopping mall remain open following expiration of the IDF's August 15 closure deadline. EconOff toured the mall on August 19 and found all shops operating normally. Shop owners say the IDF has "frozen" the closure order it imposed on the mall's 68 shops during a July 6 incursion into Nablus. Shop owners, who report that their sales are running at about 70 percent of pre-raid levels, are uneasy about the ambiguous legal status of the closure order. The offices of mall developer al-I'timan, which the GOI alleges has ties to Hamas, remain welded shut. End Summary.

12. (C) EconOff toured the Nablus Commercial Center (Nablus mall) on August 19 with Nablus Chamber of Commerce Managing Director Nameer Khayyat and three representatives of the mall's shop owners' association -- Omar Awad, Sadeq Arafat, and Omar Khayyat (Nameer's cousin). Awad and Arafat are partial owners of "Super Stores Company," a food and household goods store and the mall's largest shop. Omar Khayyat owns a cafe on the ground floor of the three-story mall.

13. (C) According to the group, 60 of the mall's 68 shops are independently owned by persons with no ties to al-I'timan. The other eight are rented from al-I'timan. Omar Khayyat said that while he owns his cafe, he rents the public space outside the cafe from al-I'timan for additional customer seating. Omar Awad said the shop owners association has hired its own lawyer, who has advised the group to cease making any rent or other payments to al-I'timan. Awad said the lawyer is assembling ownership papers and other documents for presentation to an IDF legal advisor to prove the 60 shop owners' independence from al-I'timan. Awad said the IDF has "frozen" its July 6 closure order, which had imposed an August 15 deadline to vacate all the mall's shops, pending review of the documents. Nameer Khayyat disputed IDF's contention that al-I'timan has ties to Hamas and noted that it is a publicly-traded company listed on the Palestinian Securities Exchange.

14. (C) The group said shop owners are relieved that the August 15 deadline passed without incident but concerned that the ambiguous legal status of the closure order is harming business. Shop owners, they said, are not ordering significant new inventory during what would normally be a "double high season" on the eve of the new school year and Ramadan. Customers, faced with less than fully stocked shelves, are taking some of their business elsewhere. A bank

removed the mall's only ATM machine, they noted, for fear the IDF would seize it. They said that a widespread "rumor" that shoppers risk arrest and five years imprisonment is also keeping some people away. (Note: The rumor has some basis in fact. The IDF's July 6 closure order states that "anyone" who enters the mall premises after August 15 without the IDF West Bank commander's approval will be "exposed to five years of actual detention." End note.)

15. (C) Awad and Omar Khayyat said their sales, which plummeted by 50 percent after the stores reopened, are currently running at about 70 percent of pre-raid levels. Khayyat said that before the IDF incursion his cafe was a lively spot for socializing, but now people are reluctant to come, and practically no one stays after dark. The downturn in business was evident during a tour of the mall. EconOff counted only about twenty shoppers on a walk through the mall's three floors. Omar Khayyat's cafe, which can seat at least 70 people, had five customers. The doors of six retail spaces that were vacant at the time of the raid are barred, precluding new stores from opening. EconOff also viewed al-I'timan's sealed office one floor above the main shopping area. The metal door was welded shut. On the floor above that, the local offices of two government ministries, Social Affairs and Economy, were open for business.

WALLES